

U.S. DEPARTMENT OF HOMELAND SECURITY

U.S. DEPARTMENT OF TRANSPORTATION

CALIFORNIA STATE LANDS COMMISSION

PUBLIC HEARING IN THE MATTER OF

CABRILLO PORT LIQUEFIED NATURAL

GAS DEEPWATER PORT

CITY COUNCIL CHAMBERS

CITY HALL

23920 VALENCIA BLVD.

SANTA CLARITA, CALIFORNIA

MONDAY, NOVEMBER 29, 2004

7:00 P.M.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

## APPEARANCES

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Katz & Associates, Inc.

Mark Prescott, Chief, Deepwater Port Standard Division,  
U.S. Coast Guard Headquarters

Michael Ferris, Director, Office of Financial and  
Rate Approvals, U.S. Department of Transportation

Cy R. Oggins, Staff Environmental Scientist  
State Lands Commission

Cheryl Karpowicz, AICP, Ecology & Environment, Inc.  
International Specialists in the Environment

Andrew J. Wolford, Sc.D., President,  
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## 1 P R O C E E D I N G S

2 MODERATOR MICHAELSON: My name is Lewis

3 Michaelson, I've been asked to serve as the Moderator for  
4 tonight's public meeting on the Cabrillo Port LNG Deepwater  
5 Port Draft EIS/EIR.

6 There's going to be a series of presentations made  
7 by various members of federal and State agencies represented  
8 here tonight, after which we will take public comment.

9 I already have a good number of cards handed to  
10 me, that we'll be using to call on people. We'll probably  
11 also be using the reserved seating area, later on, when it's  
12 time for public comment.

13 But I'd like to turn it over, now, to Mark  
14 Prescott, to kick us off from the Coast Guard. Thank you.

15 MR. PRESCOTT: Good evening, ladies and gentlemen.  
16 Welcome to this public meeting to provide you the  
17 opportunity to present your comments on the Draft  
18 Environmental Impact Statement/Environmental Impact Report  
19 that has been developed for the State and federal  
20 governments to analyze the Cabrillo Port application for a  
21 license to own and operate a natural gas deepwater port off  
22 the coast of California.

23 This meeting was announced in the Federal Register  
24 on November 5th, 2004, as well as in local newspapers.

25 As I said, my name is Mark Prescott. I'm the

1 Chief of the Deepwater Port Standard Division at U.S. Coast  
2 Guard Headquarters.

3 Accompanying me are Mr. Michael Ferris, of the  
4 Maritime Administration and Mr. Cy Oggins of the California  
5 State Lands Commission. In a few moments they will provide  
6 you with a short overview of their agency's responsibilities  
7 regarding this deepwater port application.

8 First, I'd like to give you a brief overview of  
9 the general process and role of the Coast Guard.

10 As background, in 1974 Congress passed the  
11 Deepwater Ports Act to license and regulate deepwater ports  
12 for the handling of oil. Under that Act, the Secretary of  
13 Transportation is responsible for issuing or denying a  
14 license.

15 The Secretary delegated the processing of  
16 deepwater port applications to the Coast Guard and the  
17 Maritime Administration.

18 Earlier this year, the Secretary further delegated  
19 responsibility for issuing or denying a license to the  
20 Maritime Administrator.

21 Over the past 30 years, only one deepwater port  
22 has operated in the U.S. That is the Louisiana Offshore Oil  
23 Port, off the coast of Louisiana.

24 In November of 2002, Congress passed the Maritime  
25 Transportation and Security Act which amended the existing

1 Deepwater Port Act by expanding its application to natural  
2 gas.

3 In the two years since the passage of that Act,  
4 the Coast Guard and the Maritime Administration have  
5 received eight applications for natural gas deepwater ports.

6 One of those applications was submitted on  
7 September 3rd, 2003 by BHP Billiton LNG International, to  
8 own, construct, and operate a natural gas deepwater port  
9 approximately 14 miles off the coast of Ventura County.

10 The law requires that the Coast Guard and MARAD,  
11 the Maritime Administration, to determine if the application  
12 contains all the required information.

13 On January 27th, 2004 we published a notice in the  
14 Federal Register stating that we had received the Cabrillo  
15 Port application and that it appeared to contain the  
16 required information.

17 In order to issue a deepwater port license, the  
18 Secretary of Transportation must find the applicant is  
19 financially responsible, can and will comply with the  
20 applicable laws and regulations, and that the construction  
21 of the deepwater port is in the national interest.

22 In addition, the port must not interfere with  
23 international navigation or other reasonable uses of the  
24 high seas, and the construction of the port must represent  
25 the best available technology to minimize adverse impact on

1 the environment.

2 In order to carry out these requirements, the  
3 Coast Guard determined that an environmental impact  
4 statement must be prepared in accordance with the National  
5 Environmental Policy Act, or NEPA.

6 In addition, the proposed project would require a  
7 land lease from the California State Lands Commission. As a  
8 result, the proposed deepwater port must comply with the  
9 California Environmental Quality Act, or CEQA, which  
10 requires the preparation of an environmental impact report.

11 The Coast Guard and the California State Lands  
12 Commission decided to prepare a single Environmental Impact  
13 Statement/Environmental Impact Report, as agreed in a  
14 memorandum of agreement between our agencies.

15 Another criterion is that the Governor of the  
16 adjacent coastal state must approve of the license.

17 On February 27th, 2004 a notice of intent/notice  
18 of preparation to prepare an EIS/EIR, which is the  
19 Environmental Impact Statement/Environmental Impact Report,  
20 for this project and the notice of public meetings was  
21 published.

22 On March 15th and 16th we held public scoping  
23 meetings in Oxnard and in Malibu, respectively. Those  
24 meetings were widely attended and provided us with numerous  
25 comments, that we have addressed in the draft EIS/EIR.



1           Following those meetings, we suspended the  
2   processing of the application for approximately 150 days to  
3   obtain and analyze additional data. Some of that data  
4   needed was a direct result of comments received at the  
5   scoping meetings.

6           A specific example was a development and analysis  
7   of a new onshore pipeline alternative.

8           I would like to emphasize that this meeting is not  
9   the only opportunity for comments to be made on the EIS/EIR.  
10   If you would like to provide written comments on the  
11   EIS/EIR, they should be received by December 20th, 2004, and  
12   there should be information available on how to do that  
13   outside the meeting room.

14           In addition, as required by the Deepwater Port  
15   Act, the Coast Guard and the Maritime Administration will  
16   hold another public hearing, in California, to receive  
17   comments on the application, itself, for consideration in  
18   developing the record of decision for the Cabrillo Port  
19   Application.

20           With that as a bit of general background, I'd like  
21   to give a little more detail on the Coast Guard's  
22   responsibilities and then allow my colleagues to provide  
23   details on their respective roles.

24           Although the Maritime Administrator will  
25   ultimately decide, from the federal standpoint, on whether

1 or not to grant a license for this proposed deepwater port,  
2 the Coast Guard has the lead in developing a significant  
3 amount of the input necessary for that decision.

4 Specifically, we are the lead federal agency for  
5 the development of the environmental impact statement. In  
6 carrying out that responsibility, we sought input from the  
7 public and several federal agencies.

8 In the case of this application, we are working  
9 closely with the State of California.

10 I would like to stress that the processing of this  
11 or any deepwater port application, the Coast Guard is  
12 neither a proponent, nor an opponent of the project.

13 In addition to our environmental review with the  
14 State, the Coast Guard has a number of other areas that it  
15 is responsible for. These include evaluation of the  
16 proposed engineering design standards, the operations  
17 manual, and security plans.

18 In addition, the Coast Guard District Office and  
19 local Captain of the Port will be directly involved in  
20 developing waterways management, operations, and security  
21 requirements.

22 The Coast Guard is also responsible for ensuring  
23 that any vessel calling on a U.S. Port is in compliance with  
24 various U.S. laws and regulations, and international  
25 standards for design, construction, and operation, and for

1 security of the vessel.

2 At this time, I'll let Mr. Mike Ferris, with the  
3 Maritime Administration, describe the role of his agency.

4 MR. FERRIS: Thank you, Mark. Good evening. My  
5 name is Michael Ferris, I'm representing the Maritime  
6 Administration at this meeting.

7 Together, with the U.S. Coast Guard, the Secretary  
8 of Transportation has charged us with processing deepwater  
9 port applications for the federal government.

10 Further, the Secretary has placed the  
11 responsibility for issuing and denying deepwater port  
12 licenses with the Maritime Administration.

13 The environmental impact statement is a major,  
14 important step in a deepwater port application process.

15 Early on in this process a series of meetings were  
16 held here, in California, in partnership with the State  
17 Lands Commission, where you expressed your concerns and  
18 provided areas of interest to be addressed in the joint  
19 Environmental Impact Statement/Environmental Impact Report.

20 Cheryl Karpowicz, and the staff at E&E, along with  
21 many staff members from involved federal, State, and local  
22 government agencies, worked hard to produce a comprehensive  
23 document addressing your concerns.

24 And I want to thank everybody who put this draft  
25 together.

1 But we are not done, yet. We are back, now, to  
2 see how we can make it better. Your comments will help us  
3 do just that and are greatly appreciated.

4 Now, where do we go from here? We're going to  
5 take your comments concerning Cabrillo Port, made here and  
6 those written, which can be made through December 20th, and  
7 try to make a better, more comprehensive environmental  
8 document.

9 After the final environmental document is  
10 completed and published, the federal government and the  
11 State government will go through separate hearing and review  
12 processes.

13 The Maritime Administration and the U.S. Coast  
14 Guard will hold a public hearing early next year and take  
15 comments from all concerned for up to 45 days after the  
16 final public hearing.

17 After this comment period, the Maritime  
18 Administration will make a decision within 45 days of the  
19 close of comments. The decision would be to issue a  
20 license, reject the application, or issue a license subject  
21 to conditions.

22 That decision will be reflected in a record of  
23 decision and followed by a license, should the application  
24 be accepted. Any conditions in an accepted license would be  
25 reflected in the record of decision and the license.

1 Thank you for your interest and comments.

2 MR. PRESCOTT: Thanks, Mike.

3 At this time, Mr. Cy Oggins, with the California  
4 State Lands Commission, will describe the role of his  
5 agency.

6 MR. OGGINS: Thank you, and good evening. My name  
7 is Cy Oggins, and I'm a Staff Environmental Scientist and a  
8 Project Manager with the California State Lands Commission.

9 The State Lands Commission has two roles with  
10 respect to the proposed project. First, the Commission has  
11 received an application from BHP Billiton to place two  
12 natural gas pipelines on State lands, offshore California.

13 Second, the Commission has been designated the  
14 lead agency under the California Environmental Quality Act,  
15 and as such we are responsible for preparing the  
16 environmental impact report pursuant to the California  
17 Environmental Quality Act and the CEQA guidelines.

18 We are doing this jointly, as stated by  
19 Mr. Prescott and Mr. Ferris, we're doing this jointly with  
20 the Coast Guard and the Maritime Administration.

21 Under the CEQA, or California Environmental  
22 Quality Act, the Commission, at a noticed public hearing,  
23 will make a determination as to whether or not the  
24 environmental impact report is adequate.

25 Should the Commission certify the environmental

1 impact report, the Commission would then consider whether or  
2 not to issue a lease for the use of State lands.

3 The purpose of tonight's meeting is not for me to  
4 talk, it's for the staffs of the Commission, the Coast  
5 Guard, and the Maritime Administration to listen, to listen  
6 to your comments, or everyone's comments on the  
7 environmental impact statement and environmental impact  
8 report.

9 No action by the State Lands Commission will occur  
10 tonight, nor will any action be taken until the final  
11 environmental impact report, that addresses your comments,  
12 is prepared and released, and that will not happen until  
13 next year.

14 So thank you for taking the time tonight to come  
15 here and to provide us with your comments.

16 MR. PRESCOTT: Thank you, Cy.

17 At this time I'd like to ask Ms. Cheryl Karpowicz  
18 to provide a brief description of the project and  
19 environmental issues to be discussed.

20 MS. KARPOWICZ: Thank you, Mark.

21 The California State Lands Commission and the U.S.  
22 Coast Guard have hired Ecology & Environment to assist them  
23 in preparing an independent, third party Environmental  
24 Impact Statement/Environmental Impact Report.

25 Our contract is with the California State Lands

1 Commission and we are working directly for Cy Oggins and  
2 Mark Prescott.

3 Our job has been to independently verify  
4 information that's been submitted by BHP Billiton, to  
5 analyze alternatives and impacts, and to assist the Coast  
6 Guard and Lands Commission to prepare a document for public  
7 review and comment.

8 This slide shows the basic steps in the  
9 environmental review process. We started with the public  
10 notification and comment, over here on the left-hand side,  
11 and that took place last winter. In all, about 305 people  
12 participated in the open houses and public scoping meetings,  
13 and we received 200 letters, e-mails, and other comments.  
14 Thank you for your participation.

15 In addition, as part of the independent risk  
16 assessment for the project we held a one-day security  
17 workshop and a three-day public safety workshop, which were  
18 attended by many local, State, and federal agencies, and the  
19 project technical team.

20 During scoping we received several requests to  
21 translate this EIS/EIR into Spanish, which we did.

22 This is where we are right now. We've published  
23 the draft EIS/EIR and distributed it to the public, and so  
24 we're here taking comments.

25 We look forward to hearing all of your comments

1 regarding the draft EIS/EIR and we will respond to all  
2 comments in the final EIS/EIR, which we plan to publish and  
3 distribute during the winter of 2005.

4 Here's a map of the proposed project location in  
5 the region. The deepwater port would be located about 14  
6 miles offshore the nearest, the closest point to land. This  
7 is the only place where LNG would be handled.

8 Onshore, a metering station and other facilities  
9 would be built and underground pipelines would transport  
10 natural gas through Oxnard and/or Ventura County, and in  
11 Santa Clarita, to the Southern California Gas System.

12 Here's a map showing the regional context and you  
13 can see the location of the offshore port here, the onshore  
14 pipelines here, in Oxnard and Ventura County, and in Santa  
15 Clarita.

16 One of our jobs in preparing the Environmental  
17 Impact Statement/Environmental Impact Report is to analyze  
18 both the proposed project and a range of alternatives.

19 The alternatives we examined are shown on this map  
20 and include the no action alternative, an alternative port  
21 location, alternative shore crossings, two alternatives to  
22 the Center Road Pipeline in Ventura County, which have  
23 changed since the scoping meetings, and an alternative to  
24 the Santa Clarita Pipeline.

25 We evaluated a broad range of environmental issues



1 and resources for analysis, as contained in the EIS/EIR. In  
2 all, we identified 118 potential impacts and over 200  
3 mitigation measures. We determined that eight impacts would  
4 remain significant after mitigation.

5 Now, we would like Dr. Andy Wolford to talk about  
6 the independent risk assessment, that the project team  
7 prepared, to help us evaluate the public safety impacts of  
8 the proposed project.

9 DR. WOLFORD: Thank you, Cheryl, and good evening.

10 As Cheryl said, my name's Andy Wolford. Ecology &  
11 Environment subcontracted H.A. Wolford & Associates to  
12 conduct an independent risk assessment. The results of this  
13 study are publicly documented in Section 4.2 of the draft  
14 Environmental Impact Statement/Environmental Impact Report.

15 What I'd like to do is walk through this diagram,  
16 which shows the risk assessment process. As you can see,  
17 the first thing we did was to assemble a qualified team. An  
18 independent risk assessment team was formed that included  
19 technical professionals with the expertise in marine  
20 operations, LNG facility design, risk analysis, risk  
21 communication, safety engineering, security, computational  
22 fluid dynamics, and structural engineering.

23 This risk assessment team familiarized themselves  
24 here, with the system, the proposed system design and  
25 operation, and operating data, as provided by the applicant.

1           The accident record for the LNG industry at large,  
2   and the hazards of LNG, as presented by the proposed  
3   project, were also reviewed.

4           Accident and security scenarios that could lead to  
5   a release of LNG were identified based on public scoping  
6   comments, and two intensive workshops, an independent review  
7   of the applicant's conceptual design, operating procedures,  
8   and an independent review of the applicant's confidential  
9   security plan and emergency procedures.

10          Site-specific oceanographic and meteorology  
11   experts collected and summarized site-specific weather and  
12   ocean conditions for the proposed offshore location, as  
13   these related to accident scenarios.

14          Marine operations and risk analysts collected and  
15   analyzed marine traffic, numbers and patterns to identify  
16   the types and tonnage of vessels transiting waters near the  
17   proposed FSRU location.

18          Scenarios were screened that would not result in  
19   any impacts outside the immediate vicinity of the FSRU or  
20   that were too unlikely to occur. And then state of the art  
21   computer modeling was performed to determine the extent,  
22   timing, and location of LNG and natural gas released.

23          And parallel with this activity, marine and risk  
24   specialists developed estimated frequencies for ship  
25   collisions.

1           And finally, with all this information, the  
2 frequency estimates and consequence calculations were  
3 combined to estimate the risks posed by the proposed  
4 project.

5           Now, I'd like to turn back to Mark Prescott to  
6 conclude the team presentations.

7           MR. PRESCOTT: That really concludes our talking  
8 with you. At this time, I'd like to turn it over to our  
9 Moderator, Mr. Lewis Michaelson, he's going to explain the  
10 process for receiving your comments and we'll go from there.  
11 Lewis.

12           MODERATOR MICHAELSON: Thanks very much. It was  
13 pointed out to me that some of you looked like you might  
14 have been straining a little bit to see what was on the  
15 chart up here. For those of you who didn't get to take  
16 advantage of the two-hour open house session, there are  
17 copies of those slides that can be made available at the end  
18 of the meeting tonight, if you'd like to have those for  
19 reference purposes.

20           I have about 30 people who signed up to speak  
21 tonight, which is very encouraging. Thank you for  
22 registering.

23           And just to give you an idea of what to expect,  
24 we're going to call on commentators in a particular order  
25 that's been established. First, elected officials, then

1 public agencies, then individuals or groups who signed up,  
2 then others who have not signed up, who may have decided to  
3 speak and then, finally, the protocol calls for the project  
4 applicant to speak last.

5 A few ground rules for that. I'm going to call up  
6 the names of the commentators in groups of about five. We  
7 have preferred or reserved seating right here on this front  
8 row. If, as I call your group, you'd come up and take a  
9 seat there, it will make it much faster for us to keep  
10 people going up to the podium, which is right here to my  
11 right there, and we can keep everybody moving more quickly,  
12 since we do have a large number of commentators to go through.

13 You don't have to give your address, but if you  
14 would please give us your name and any organization you  
15 might belong to, we'd really appreciate that.

16 Seated at the end of this table is a court  
17 reporter, who will be making a verbatim transcript of  
18 everything that is said here tonight, so it's important that  
19 you speak carefully and clearly into the microphone so we  
20 can make sure we get all of your comments captured.

21 Another thing to keep in mind is that this is just  
22 one way to provide your comments. There are a number of  
23 ways that you can also provide written comments, and written  
24 comments are given the same consideration as oral comments.  
25 So if you're one of those majority of Americans who are

1 intimidated by public speaking, don't let that stop you from  
2 making comments, it's just as easy for you to put them in  
3 writing.

4 Each speaker will have up to three minutes to  
5 speak. Speaking times may not be combined. And I have a  
6 really simple, low-tech way of letting you know about times,  
7 okay. When you've been speaking for two minutes, if you  
8 have been, I'll put up one finger like this, and that means  
9 you have one minute left. And when three minutes are gone,  
10 I'll put up my closed hand, like this, meaning it's time to  
11 wrap up your speaking.

12 So if you'll look at me, occasionally, and make  
13 sure you see the signs, it will just make things go a lot  
14 easier for everybody.

15 Finally, I will apologize in advance for any  
16 mispronunciations of names. I didn't get a chance to meet  
17 you all and find out the correct ones, so I will do my best.

18 The first five speakers that I have are  
19 Councilwoman Marsha M. Lean, Council Member Laurene Weste,  
20 Alycia Seaman, representing the office of Assembly Member  
21 Lloyd Levine, the Honorable John Olsen, and Randy S. Howard,  
22 with the Los Angeles Department of Water and Power.

23 Councilwoman McLean, you're first, thank you.

24 COUNCILWOMAN MC LEAN: Good evening, my name is  
25 Marsha McLean.

COMMENTER T004.1
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1 MODERATOR MICHAELSON: McLean, I couldn't tell.

2 COUNCILWOMAN MC LEAN: That's okay, I probably  
3 didn't write it very clearly.

4 Anyway, I want to thank you very much for coming  
5 here to Santa Clarita and taking testimony here. Our City  
6 Council has not taken an official position on this item, so  
7 I am speaking as an individual.

8 We, in Santa Clarita, have the Santa Clara River  
9 which runs through our valley, and we take great pride in  
10 that river. It is one of the last natural, if not the last  
11 natural river in California. So we, of course, are very  
12 concerned.

13 We want to state that we would like to have every  
14 care taken. It's my understanding that you will not  
15 actually be going into the river, however, you will be using  
16 structures, that are already built, going over the river, so  
17 you should not be disturbing the river, and I certainly hope  
18 that is the case.

T004-1.1

19 Obviously, there is a very large need for clean  
20 fuel, which is not cost prohibitive, so this project is  
21 saying that they're going to bring that to us.

22 We have not had a chance to go over the EIS or  
23 EIR, our staff will be looking at that. So once again, I am  
24 not taking a position on behalf of the City, at all, I'm  
25 merely speaking as an individual who cares very much for our

T004-1.1

Section 2.7.2.1 contains information on river crossing methods.  
Section 4.8.4 describes the mitigation measures pertaining to  
wetlands and waterways.

1 valley and our Santa Clara River.

2 MODERATOR MICHAELSON: Thank you very much. And  
3 also, on behalf of the federal and State agencies here,  
4 thank you to the City of Santa Clarita for providing this  
5 wonderful space here for us to hold this meeting.

6 COUNCILWOMAN MC CLEAN: You're welcome.

7 MODERATOR MICHAELSON: Laurene Weste.

8 COUNCIL MEMBER WESTE: Good evening, gentlemen.  
9 We thank you, ladies and gentlemen, for being here. It's an  
10 important part of the process for you to come to our  
11 community, and we appreciate you giving the information  
12 firsthand and making it easy in our community for people to  
13 be part of this process.

14 We, as a City, have long supported clean energy  
15 efforts. We use alternative fuel vehicles. We're in the  
16 process of building, I think, the first green building  
17 transit facility in the nation. We understand it's  
18 important for our future, in our community, as well as a  
19 country.

20 We believe that this is an important process here  
21 and we urge you to be very proactive in informing our  
22 citizens through this process, and please do a thorough  
23 public outreach. An informed citizenry can facilitate a  
24 much smoother project. We ask you to be sensitive to the  
25 environment here.

T004-2.1

Section 1.1 discusses regulations and agencies involved in the licensing and potential approval of the proposed Project. The USCG and MARAD will hold a final public hearing on the license with a 45-day comment period before the Federal Record of Decision is issued. The CSLC also will hold a hearing to certify the EIR and make the decision whether to grant a lease.

Section 1.5 contains additional information regarding public notification and opportunities for public comment.

COMMENTER  
T004-2

T004-2.1

1           We have not taken a formal position, but we very  
2 much appreciate that you're here, that you're sharing with  
3 us, and that you're working with us through this process to  
4 take our input on any issues that may be.

5           As I said, we all know that in the future of  
6 America we have to find and use alternative clean fuels.  
7 And certainly change is difficult, but this is an important  
8 part for the future of America.

9           Thank you very much for being here.

10          MODERATOR MICHAELSON: Alycia Seaman.

11          MS. SEAMAN: Hi. I want to apologize, the  
12 Assembly Member could not make it out today. But he did ask  
13 me to read a letter in his absence, and here it goes.

COMMENTER T004-3
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14          "As a Member of the California Assembly,  
15 I represent a constituent base of  
16 434,000 San Fernando Valley residents.  
17 Many parts of my District rely upon the  
18 widespread use of clean-burning and  
19 fuel-efficient natural gas for a variety  
20 of residential, commercial, and  
21 industrial applications. As a Member of  
22 the Assembly Utilities and Commerce  
23 Committee, I'm especially sensitive to  
24 the critical role that natural gas plays  
25 in our State's and our region's clean

T004-3

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.



1 air strategies. That is why I am  
2 writing today to affirm my support for a  
3 LNG facility that will safely provide  
4 much-needed clean energy resources to  
5 fuel our State's growing energy demands.  
6 LNG is widely regarded as a safe energy  
7 form that can be directly delivered, as  
8 natural gas, into an existing gas  
9 utilities pipeline system. LNG  
10 deliveries, via the Cabrillo Port, will  
11 increase available gas supply and act as  
12 a competitive balance to moderate prices  
13 of natural gas imported to California.  
14 The project will also diversify gas  
15 supply, contributing to enhanced  
16 reliability. A California LNG delivery  
17 option is consistent with the planning  
18 of the State's Energy and Public  
19 Utilities Commissions, as well as the  
20 State's Energy Utilities. Furthermore,  
21 the recently released draft  
22 environmental impact report for the  
23 Cabrillo Port project concludes, 'the  
24 proposed project would not contribute  
25 significantly to cumulative adverse

1 effects on the region's environment.'

2 This report indicates that the Cabrillo

3 Port project can safety and responsibly

4 deliver the new supplies of natural gas

5 that California needs. The addition of

6 an LNG delivery option in California is

7 sound public policy for all residents of

8 California and I urge you to facilitate

9 the permitting and construction of the

10 Cabrillo Port project in the timeliest

11 manner."

12 And it's signed "Lloyd E. Levine."

13 And I have this letter to submit to you.

14 MODERATOR MICHAELSON: Why don't you just hand it

15 to the court reporter for now. Thank you very much.

16 MS. SEAMAN: And I also have available copies.

17 MODERATOR MICHAELSON: I couldn't hear you?

18 MS. SEAMAN: Sorry. And I also have available

19 copies, if anyone's interested.

20 MODERATOR MICHAELSON: Thank you very much.

21 The Honorable John Olsen, Counsel General, the

22 Commonwealth of Australia.

23 AUSTRALIAN COUNSEL GENERAL OLSEN: Good evening.

24 John Olsen, Australian Counsel General, with

25 responsibilities for the West Coast of the United States of America.

T004-4  
Thank you for the information.

COMMENTER T004-4
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1           Can I firstly say thank you for the opportunity to  
2 present, what I hope will be in four parts, a presentation  
3 on behalf of Australia. That is Australia's relationship  
4 with the United States, the supply and demand of LNG, and  
5 the BHP Billiton's company standing within Australia.

6           In capacity terms, Australia has the gas to enable  
7 Australia's LNG exports to expand from current levels of 8  
8 million tons per annum to well in excess of 40 million tons  
9 per annum.

10          Why is that important? Trade is important,  
11 particularly given the balance of trade between the United  
12 States of America. You have a trade surplus in the United  
13 States of between 5 and 8 billion dollars annually, and for  
14 California there is a trade surplus with Australia of 1.9  
15 billion, approximately, each year.

16          There are not too many countries in the world,  
17 currently, that you have a trade surplus with.

18          Australia is and has been an ally of the United  
19 States. We have fought together in every conflict for over  
20 a century and a half, and Australia is the only nation that  
21 has on every occasion, without hesitation, stood foursquare  
22 behind the United States.

23          And the Free Trade Agreement signed by the  
24 President and the Prime Minister comes into force on the 1st  
25 of January next.

1           Australia's official and proven probable gas  
2 reserves were something like 143 trillion cubic feet as of  
3 the 1st of January, 2003, considered by industry to be  
4 conservative estimates.

5           New capacity, that's now under construction, will  
6 see our production and LNG exports double over the next four  
7 years.

8           Australia is a reliable and competitive LNG  
9 exporter. Australia is the only major LNG exporter that is  
10 a western nation.

11          Australia has high standards in construction and  
12 maintenance. We have a highly educated work force, with  
13 high levels of skill and sophisticated information and  
14 telecommunications networks.

15          Australia is politically stable. All of our LNG  
16 plants within Australia have at least one American partner.

17          We have an impeccable record over the last 20  
18 years, 1,600 shipments have left Australia without incident  
19 on any single occasion.

20          BHP Billiton is one of Australia's oldest,  
21 largest, and best regarded Australian companies.  
22 Incorporated in 1885, it's the world's largest diversified  
23 resource company. It has a record in Australia where the  
24 unions commend BHP Billiton for the way in which it posts  
25 its task. It is a good corporate citizen, of which no less